



MULTIFAMILY REPORT

Nashville Rents Trend Down

January 2024

Rents Drop Under Supply Pressure

Job Gains Among Top in the US

Sales Volume Above \$1B

NASHVILLE MULTIFAMILY



Robust Supply Dents Rent Growth

Nashville remained in expansion mode, posting robust job and population growth in 2023. Meanwhile, new supply was elevated, which translated into drops in occupancy rates and rent contractions. The average asking rent in the metro was down 2.2% year-over-year in November, to \$1,634, while the national figure rose 0.4%, to \$1,713. The occupancy rate in stabilized properties decreased 70 basis points year-over-year as of October, to 94.4%.

Nashville's employment market expanded 3.8%, or 36,800 jobs, year-over-year as of September, placing it third for growth among Yardi Matrix's top 30 metros, trailing Dallas and Las Vegas and well ahead of the 2.4% national average. Meanwhile, the jobless rate clocked in at 2.9% in October, surpassing the U.S. (3.9%), the state (3.3%) and the other major Tennessee metros, according to data from the Bureau of Labor Statistics. Nashville's largest sectors—education and health services, trade, transportation and utilities and professional and business services—led gains, accounting for nearly two-thirds of new jobs.

Developers added 7,271 units in 2023 through November and had 27,433 units underway, with a clear preference for Lifestyle assets. However, by volume of new construction starts, activity is slowing. Meanwhile, investors traded \$1 billion in multifamily properties, for a price per unit that dropped 8.8% from 2022 levels, to \$216,170, as of November.

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Recent Nashville Transactions

NOVEL Harpeth Heights



City: Nashville, Tenn.
Buyer: TA Realty
Purchase Price: \$99 MM
Price per Unit: \$308,500

Broadstone SoBro



City: Nashville, Tenn.
Buyer: AND Asset Management
Purchase Price: \$79 MM
Price per Unit: \$347,345

Provenza at Park Place



City: Mount Juliet, Tenn.
Buyer: Momentum Real Estate Partners
Purchase Price: \$77 MM
Price per Unit: \$265,517

Hickory Chase



City: Madison, Tenn.
Buyer: Concordia Properties
Purchase Price: \$50 MM
Price per Unit: \$143,230